The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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WASHINGTON, D. C.

OCTOBER 19, 1936

Benefits of Tariff Treaties in Dispute

Republicans Oppose Reciprocity.
Claim Farmers Suffer from
Foreign Competition

ADMINISTRATION SEES GAINS

Insists Policy Leads to Revival of World Commerce and Return of Domestic Prosperity

A good many issues in the presidential campaign are jumbled and confused, so that when the smoke of exaggeration and oratory blows away, little of a clear and definite nature remains to distinguish the positions of the parties. On the other hand, several issues stand out distinctly as points upon which the parties are sharply opposed. One of these questions relates to the foreign trade policy of the Roosevelt administration. Governor Landon has attacked the Reciprocity Trade Treaties which Secretary of State Cordell Hull has been negotiating, and has raised the administration's trade treaty program to the stature of a major issue.

The Reciprocity Act

The Reciprocal Trade Agreements Act was signed by President Roosevelt on June This act provides that the President may negotiate trade agreements with foreign countries. In order to make trade easier between the United States and any other country, he may form an agreement or treaty with it and may change the tariff or tax on goods entering America from that country by as much as 50 per cent. The tax on foreign goods coming into America may be lowered in return for similar favors offered by the other nation to products of the United States. The President cannot, however, remove the entire tax on any article coming from abroad. He cannot, in other words, put any article on the free list which is not already there. Neither can he take any article off the free list. He cannot provide that a tax shall be charged on the entry of any article which does not now pay any tax at all.

The act provided that for a period of three years, the President might have the power to negotiate such treaties. His power thus terminates next June, unless the period is extended. After a trade treaty is made with a foreign country, either one of the nations may put a stop to it at the end of three years. If the agreement is not ended at that time, either country may terminate it at a later date by giving six months' notice.

No sooner had the law gone into effect than the President set to work to make use of his new powers. His secretary of state, Cordell Hull, who was a strong advocate of the idea, was given full charge. He appointed a staff of trade experts and began to negotiate treaties. Since the summer of 1934, he has negotiated treaties with 17 countries. Among these countries are such good customers of Americans as Cuba, Canada, and France. In order to see how these treaties work, we may take the case of the agreement with Canada.

We find, upon examination, that this treaty makes it easier for a good many American industries to sell their products to Canadians. About 180 separate products named in the treaty are admitted into Canada at lower rates than they have been paying. Among the products which will (Continued on page 8)

AERIAL BOMBARDMENT

-Fitzpatrick in St. Louis Post-Dispatch

The Artistic Touch

All of us have had the unpleasant experience at times of being obliged to listen while someone, ill trained or unmusical, produced confusion and discord by hammering the keys of a piano. At every thump upon the instrument there was a strident crash. Our ears were offended by rasping disharmony. It was noise and not music which issued from the piano, disturbing our repose, prodding us into irritability, tiring us in body and mind. We knew all the time, of course, that our trouble could be traced to the player who was a fumbler and not an artist. We knew what artistry would have done for him and for us. At another time, perhaps, we had sat in that very room at the feet of a master pianist. As his skilled fingers touched those very keys there had come the pleasing melody of a Chopin nocturne; and as we heard these mellow strains we were transported in our fancy from the worry and vexations of a too busy and troubled day to realms of peace and quiet and repose. On yet another day this master pianist, in a different mood, had fired our imaginations, had quickened our steps, and stimulated our ambitions with a Liszt rhapsody. And we had sat in humility, ashamed of every meanness of act or disposition, had sat with purposes purified, as we had, on occasion, listened to noble strains of sacred music; to the grand compositions of Brahms or Bach.

Yes, it makes a difference whether one is an artist or a fumbler when he touches the piano keys. It makes an equal difference whether one has the artistic touch when he plays upon the keys of life's experience; a thing which each of us does every hour of the day. We are doing things, saying things, coming into contact with others every moment. And what impression do these contacts make? Do we create discord or harmony? Do we leave behind irritations, anxiety, unpleasant situations? Many do. Others by act and very presence create good will, inspire confidence, leave trails of harmony. The well-educated individual is one who has learned to play, with a musician's touch, upon the sensitive instrument of human association. Young men and women who, during their years in school, learn to live pleasantly and thoughtfully and helpfully with others, who learn to pull their own weight in the boat, to share responsibilities, to lighten burdens, to contribute gayety even when the skies are gray, who learn to make people with whom they live happy instead of worried or anxious-such individuals are finding their way to a life of harmony and satisfaction. They need not be, should not be, soft or meek or self-effacing. They may be forceful, self-assertive, provided they really live generously and harmoniously. They are the strong, the skilled, the artistic, the finely equipped players in the great orchestra which includes us all.

Nazi Foreign Policy Raises Grave Issues

Europe Puzzled by Intentions of Hitler with Regard to Relations with Russia

DOES GERMANY WANT WAR?

Observers Think Not, but See Dangers in Policy of Winning Concessions by Threats

The situation in Europe today is admittedly confusing. Never since the war has there been greater uncertainty over the policies and intentions of nations. The reports which are published in the newspapers one day are contradicted by those which appear the next. We hear that a government is definitely committed to pursue a certain course of action, only to learn later that it is following quite another, or, what is more probable, none at all.

There are several reasons for this state of confusion. One of them is that the continent is passing through a period of pronounced change. A few years ago the dominant powers were France and England, and in the background stood the League of Nations with its ideas of collective security, untried but in principle accepted. These factors provided a basis of stability. The authority of France and Britain was unchallenged. The small powers acknowledged their leadership and did not look elsewhere. They felt, above all, that the League would assure their security. Thus, the situation in Europe was fairly fixed and predictable.

New Forces

But since then new stars have arisen to disturb the placid skies over Europe. Men with new ideas have appeared on the scene and have established themselves in positions of power and eminence. Today, France and England are being pushed into the shadows by the more aggressive leaders of Germany and Italy. The standards of Naziism and Fascism are planted firmly and boldly in European soil. And over in the East looms a mighty and now powerful giant, Soviet Russia.

And so it happens that authority in Europe no longer comes from a single direction. Germany and Italy are bidding for supremacy; Russia's influence is being felt heavily. And the League of Nations, for reasons which are clear to everyone, has lost what prestige it formerly had. Consequently Europe is torn by conflicting forces. The large nations jockey for power and the small ones are forced to consider anew where their interests lie. The result is that every nation is shifting, turning, wondering what the morrow may bring. It is not surprising that the lines of policy are no longer clear.

Another reason for the uncertainty over European events is the fact that news reports are less trustworthy than they once were. The heavy hand of dictatorship has brought with it an increase in press censorship. News is colored or concealed to suit the ends of national leaders. This is the day of propaganda, not of truth-seeking.

How, then, are we to understand the vitally important affairs of European nations? How are we to interpret the threats of war, the promises of peace, the quarrels and intrigues of diplomats and heads of governments? The obvious answer is that we cannot do so to complete satisfaction. We must remain to a considerable extent

no longer as friendly to-

ward the Germans as they

were a year or two ago.

Czechoslovakia is guarded

by treaties of assistance

with Roumania, Yugo-

slavia, and France. Thus,

there are powerful barriers

to be surmounted before

Germany could hope to

win a war with Russia.

Russia, Germany would have to bring her

own territory to the Russian border. This

would mean the disappearance of part of

Poland and probably of Czechoslovakia.

The Poles are alive to the danger and are

in the dark so long as the struggle for power and the distortion of fact continue.

However, bearing these difficulties in mind, we may still attempt to unravel a few of the tangled threads of European

diplomacy. In doing so we must turn to Germany, for it is on that nation which in great degree the future of Europe depends. Hardly anyone will deny that the question of war or peace in Europe will be determined by what happens in Germany during the next few years.

In seeking out the foreign policy of Germany, we must take two things into account. The first of them is the internal situation in Germany, and the needs of the German people. The second is the party in power which to satisfy those seeks needs, and its ideas as to how they might be satisfied.

German Needs

Germany's internal position was described in the September 28 issue of THE AMERICAN OBSERVER. Briefly, it may be stated here that the German soil does not adequately meet the requirements of the

German people, in the case of both food and mineral resources. This inadequacy was aggravated by the war through which Germany lost territory in Europe, colonies, and her position as a great commercial power. Since then the natural policy of Germany has been to regain what she lost, if not specifically the same things, at least their equivalents. For a number of years she was held in check by the hostility of her wartime conquerors who felt that the security of Europe could best be insured by a weakened Germany. But the German people rebelled against their position of humility and impotence. Their rebellion gave them Hitler and his National Socialist party.

Since coming into power in 1933, Hitler's one aim has been to restore Germany to her former position of power and greatness. Step by step he has cast aside the restrictions which had been imposed by the peace treaties. Germany, today, is no longer weak but is strong. She has become the equal of the strongest power in Europe. But while she has made gains she still lacks territory. she has not rewon all her commerce and she is far from enjoying prosperity. And so the Nazis continue to push toward these fronts. The government is now demanding that Germany be given colonies, from which she may buy raw materials with her own Nazi agents are again busily promoting trade in central and southern Europe just as they were before the war. Germany is again seeking to draw that part of Europe into her economic network. These principles of German foreign policy are readily understandable. They are in line with what a nation in Germany's newly strengthened position would normally aspire to. They may be expected to promote German prosperity.

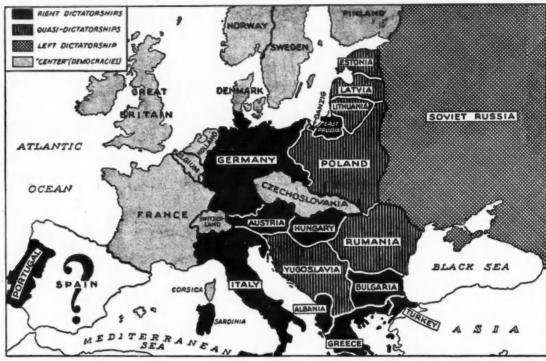
Other Aims

Less clear are the ambitions of the Nazis over and above these bread-and-butter requirements, and it is here that confusion enters the picture. What does Hitler have in mind for the future? What is he thinking of when he talks of uniting all the Germanic peoples of Europe under his leadership, when he deliberately makes the Ger-mans envious of the wealthy resources of Russia, when he discourses on the inevitable struggle between fascism and communism?

The interpretations of Hitler's words and of Nazi policy in general are numerous and varied. It is commonly accepted that Hitler is anxious to unite his native Austria to Germany. He would like to win the German populations of Danzig, Memel, and western Czechoslovakia. But it is not

known how far he would go to achieve these important objectives. So far, the indication has been that he would not go to war but would wait and hope by displays of force to attain his ends. Certainly he

trying to draw England away from France, and to force abandonment of the Franco-Soviet treaty of mutual assistance. Some hold that influential members of the British cabinet have already been won over to the



-Courtesy New York Times THE INCREASING TREND TOWARD DICTATORSHIP IN EUROPE

had his chance to fight for Austria in 1934, when Italy mobilized on the Austrian frontier after an assault by Austrian Nazis on the Vienna government. But Hitler held his peace at that critical moment. What he will do in the future it is impossible to say.

There is greater disagreement with regard to Hitler's policy toward Russia. It is a matter of record that Berlin pursues a policy of studied enmity toward the Soviet government. At the recent Nazi party conclave at Nuremberg, speaker after speaker denounced Bolshevism as the great foe of Germany and of the world. Hitler, himself, was not the least in broadcasting these blasts of denunciation.

Does this mean that Germany is laying the groundwork for a war with Russia in the future? Many observers believe so. They are of the opinion that Hitler has become obsessed with the idea that he has a holy mission to destroy communism; that the Nazis expect to expand in Europe chiefly at the expense of Russia. In supNazi point of view. Subtle changes in British policy have been noted and have been construed as proof of a pro-German attitude.

Hard Facts

The weight of evidence that Germany is preparing for war with Russia is doubtless impressive. But there are observers who are unconvinced. They think that Hitler is talking chiefly for internal consumption when he attacks the communists. think he is trying to impress upon the minds of the German people that communism would bring upon them much greater hardships than fascism has. He is trying to keep them satisfied and to cover up the fact that Hitlerism has not yet made Germany prosperous.

Then there are certain hard geographical facts to be taken into consideration. Russia is not exactly a next-door neighbor to Germany. The German armies would have to go through Poland, or through Lithuania and Latvia, or through Czechoslovakia and

Which of the interpretations of Nazi foreign policy is correct it is impossible to say. Probably the nearest approach to the truth is that the Nazis will embark on no rash war against Russia, or against any other nation in order to win territory in Europe.

The general staff of the German army which heavily influences, and many think determines, German policy, is reputedly the shrewdest in Europe and will hardly permit the Nazis to plunge into certain disaster. The Nazis may yearn to wipe out communism in Europe, but before making a con-

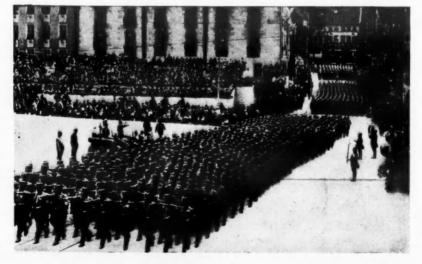
creteattempt to do so, they

will have to feel reasonably certain that their own necks are secure. How soon this time will come, and whether the Nazis will then translate their warlike words into deeds, no one can safely say.

The future promises to be as tense and uncertain as the immediate past has been. There will be recurring crises, and Europe will often seem to be on the brink of war. She may come too near that brink and slip over into the abyss, but it is not believed that anyone, including the Nazis, would deliberately push her over.

The danger lies in some miscalculation. some unforeseen development. The modern dictator, in his quest for power, threatens and brandishes his weapons. The procedure is frequently successful but is highly dangerous. So far Germany has gained much by a policy based on force. She has rearmed herself, has remilitarized the Rhineland, has won concessions in Austria from Italy, and her colonial demands are being taken seriously. There is always the possibility that these successes may go to her head, that she may attempt to gain too much by showing the mailed fist. She may stumble into war and drag the entire continent after her into it.

There is further danger in the fact that Germany is bending all her energies to the building of a mighty army. The nation is geared up to a high speed of armament production, and the people are being drilled into military ways of thinking. But Germany cannot go on piling up this war equipment forever. She will either have to use it or stop producing it in such quantities. However, to curtail the armaments industry now would seriously cripple the nation's economy, since much of the reemployment is due to the building of armaments. This situation might force Germany into a military adventure even though she may not be anxious for one.



GERMAN STORM TROOPS MARCH AT THE NAZI RALLY IN NUREMBERG

port of this theory a number of factors personal, fanatical hatred of Russia. There is the fact that Germany steadfastly refuses to consider any treaty which will bind her to preserve the boundaries of eastern Europe, although she is willing to insure those of western Europe. It is reported that Germany is doggedly seeking to persuade England that she looks only to the East and will never disturb the security of the West. The Nazis are supposed to be

Roumania in order to reach Russian soil. ter, as a glance at any map will readily show. Besides, Germany could not easily take Russian territory even if she did fight and win a war against Russia. The Ukraine -the region which the Nazis supposedly covet-is as large as the whole of Germany and as far away from her as Spain is. To capture and hold such territory would hardly be an easy task.

In order to be able to spread over into

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AROUND THE WORLD

Mussolini's legions crossed the Ethiopian border to begin a war which was for months the center of world interest. Now that Ethiopia is conquered and has, indeed, been under Italian rule for six months, the question naturally arises of what it has meant for the Italian people. Has Ethiopia yet disclosed the vast resources which were claimed for her? Have Italian settlers gone to live there?

At present, these questions can be answered only in the negative. It may be that this African empire is rich in materials, but as yet the only product imported from there has been coffee, and it sells at a higher price in Rome than coffee from Brazil. As for planting Italian colonists on the high Ethiopian plateau, that task is a long and arduous one, not to be begun until next year at the earliest, when roads have



© Wide World

FUTURE DICTATOR?

Mussolini's daughter and his son-in-law, Count Ciano. It is rumored that Ciano is being groomed to succeed Il Duce.

been built and the more restive natives pacified.

An increased burden, meanwhile, has been placed upon the taxpayer. Altogether, the Ethiopian war cost the government over \$1,000,000,000, which, it is interesting to note, is twice the value of trade carried on by Italy with all her colonies during 40 years. This tax burden has been reflected in a tendency toward rising prices in food and clothing. Some textiles have risen as much as 100 per cent. In all fairness, however, it should be noted that the price of bread and spaghetti, which form the staple diet of the poorer classes, has been kept down by the government.

Another result of the war was the loss of markets following the sanctions imposed by the League of Nations on Italy. Mussolini is bending every effort to recapture this foreign trade. It was doubtless with this purpose that he followed the example of France recently and devalued the *lira* by 41 per cent.

But whether the ensuing expansion of Italy's foreign trade will bring a solution to the more pressing of her economic troubles is open to serious doubt. For one thing, the huge armaments program which Mussolini disclosed last week will eventually bring a further increase in taxation. In addition, there is the fact that her relations with foreign powers have not yet been clarified. It may be that it was with the purpose of establishing them on a more friendly basis that Mussolini has recently made a number of changes in his diplomatic corps and has appointed as foreign minister, Count Galeazzo Ciano, who is married to his daughter Edda.

Austria: Taking advantage of an occasion when he was presumed to be on his way to attend the funeral of Premier Julius

Goemboes of Hungary, Chancellor Kurt Schuschnigg summoned his cabinet for a night session, and at dawn emerged from the meeting as undisputed master of Austria. By a decree, approved by the cabinet, he dissolved the Fascist Heimwehr which was the private army of his rival, Prince Ernst von Starhemberg, and absorbed it into his own Front Militia. Since, in addition to being head of the state, he is also minister of war, he will have all his country's armed forces under his control.

Though democratic government disappeared from Austria when the former Chancellor Dollfuss crushed the Socialist party, it is only now that authority has been concentrated in one hand. Schuschnigg thus joins the already formidable number of absolute dictators on the European continent. He is a comparatively young man, 39 years of age. He is tall, blond, and wears tortoise-rimmed glasses. There is about his bearing an air of haughtiness as if he were continually reminding himself that his father was a general in the Austrian army. Like Hitler, he is immensely fond of music. But he is far more intellectual than the German leader. It was, in fact, his excellent report on Austrian constitutional reform which brought him widespread fame. Schuschnigg has been rather consistent throughout his life. He has never cared much for democratic principles, perhaps because he never understood them. He is an intense Austrian patriot and speaks of his country's "historic destiny."

Spain: The international aspect of the Spanish civil war loomed large in the news last week when the nonintervention committee, formed in August to preserve neutrality toward the conflict, met in London. Virtually repeating the charges previously made by the Spanish government that fascist powers were violating the neutrality agreement by sending aid to the rebels, the Russian foreign office served notice that unless such aid ceased it would no longer regard the agreement as binding. This announcement threatened a crisis, and it was only with considerable effort that the matter was hushed up and a decision arrived at which provides for a further investigation of the Russian charges. It is hoped that the inquiry will take enough time to permit tempers to cool off.

* * *

From Spain itself but little news of decisive importance has arrived, except for a fuller account of a figure which has already assumed legendary proportions. Throughout the war, from city to city, a woman has traveled with tireless energy to encourage the loyalists and aid their cause. She is a member of the Spanish parliament, and though her name is Dolores

Ibarruri, the Spaniards call her La Pasionaria. Recently, too, she visited Paris to appeal to the French people for help. A correspondent of the Manchester Guardian Weekly gives a strikingly vivid portrait of her:

The arrival of La Pasionaria at the meeting was greeted with frantic cheering. She was a tall woman, wearing a plain black dress, with a catin and sad face—one of the finest faces one had ever seen. This miner's wife with her hair turning grey, had all the noble beauty of the Basque race. . . She spoke in Spanish. Few people in the audience understood exactly what she said, but the effect of her speech was overwhelming. It was the most beautiful voice ever heard on any French public platform; it had the mellow tone of a viola. She never screamed . . but the anguish in her voice when she spoke of the men now dying in Irun, the bitter irony when she spoke of the generals . . . the pathos when she appealed to France and the French people . . all these emotions communicated themselves to the spellbound au-

Geneva: While its efforts to settle international difficulties invite the most attention in the world press, they are but part of the many activities undertaken by the League of Nations. This institution also takes notice of what the world is eating. A recent report by its committee on the problem of nutrition reveals some perti-

nent information.

New Zealand and Australia consume the most meat, with Great Britain and the United States following behind. At the bottom of the list is Italy, whose per capita annual consumption is 35 pounds compared with the 236 of New Zealand. The people of Switzerland drink the most milk, though they have close competition in the United States and Denmark. The smallest consumer is Italy. Our country is the leading fruit enthusiast, though for cheese we have no regard at all. With Canada and Australia our country is coupled as the smallest consumer. It is New Zealand which spreads its butter thickest, although the French consume the most bread. These details apart, the survey reveals the striking fact that, on the whole, people were better fed during the depression years than they ever were before.

Australia: Although English colonization has transformed a large part of Australia, making it as British as London, it has met with but scant success among a tribe inhabiting the rugged north coast of western Australia. The Worora, as this



THE REAPER

-From the Oswego Palladium-Times

aboriginal people is called, are still living in the stone age, with respect both to their social customs and the implements they use for hunting. Oddly enough, it is the women of the tribe who provide the food. Each morning they leave camp with their hounds and return at nightfall, their bark utensils filled with opossum, lizards, wild honey, and yams. While they are away, the men spend their time making stone spearheads, in which they have acquired considerable skill. The spearheads are about the size of a rose leaf, and have delicately serrated edges.

Of the many strange customs that obtain among this tribe, none is stranger than that which forbids a man to look at, speak to, or mention the name of his mother-inlaw, her sisters, or her brothers. It is quite seriously suggested by scholars that racial experience evolved this custom as a means of preserving tribal peace and order. Should those who are forbidden to see one another meet quite by accident, they are required to exchange gifts. It is interesting to note that a church built by missionaries is partitioned off so that no such accident will occur there.

The medical arts of the Worora are quite primitive. The most reasonable practice, it appears, is for a man troubled with headache to open his brow so that the ache will have an avenue of escape.

* * *

England: Anxious to avoid a naval race not unlikely to develop early next year, the British government has proposed to both Japan and the United States that they renew an agreement providing that the islands within a certain zone in the Pacific remain unfortified. This agreement was part of the Washington Naval Treaty of 1922, but it expires in January. Since Japan did not become a party to the new naval pact agreed to this year by France, England, and the United States, a special agreement will have to be drawn if the naval race is to avoided.

Our own government has not yet officially replied to this proposal, largely because the problems involved are not so simple as they may appear on the surface. When our country agreed, in 1922, not to build fortifications in the Pacific, it did so as a concession to Japan in return for the latter's promise to respect the sovereignty of China and to adhere to the policy of the "open door." But now that Japan has broken that pledge, our government will probably hesitate to make another treaty with Japan, limiting its fortifications. The matter is further complicated by the fact that during the last decade Japan has developed an extensive system of commercial airports in her mandated islands, giving her a definite strategic advantage.



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THE SOVIET'S ARMY ON WHEELS

Rumbling over the plain, tanks and armored cars of the Red Army pass by in a mighty review at Moscow.



WHERE STARS WILL SHINE IN '39 Architect's drawing of the huge planetarium which will be erected for New York World's Fair of 1939. On its dome, visitors will see a miniature sky studded with stars and planets. Intricate machinery will move the heavens at will.

The Campaign

As had been predicted, and as frequently happens in the final days of political campaigns, much bitterness is developing on both sides in the last lap of the present political race. Speakers for both parties are appealing to emotions rather than to reason, and are failing to discuss calmly many of the concrete issues on which the voters would like to know the leading candidates' position. Bogeymen are being raised to scare the voters, as each side predicts disastrous consequences if the other is victorious November 3. Fortunately, most voters have learned to take such cries of alarm with a grain of salt, having been subjected to similar campaigns many times in the past.

It is apparent that during the next two weeks the Republicans will unloose their beaviest fireworks on the administration's spending program, repeating charges of waste and extravagance. This has been the main or the secondary theme of Governor Landon as he has discussed such questions as the budget and relief and unemployment. In his Chicago address, he declared emphatically that "the spenders must go." He made a strong appeal for votes by promising to balance the federal budget, adding "and I am not going to take four years to do it."

The President's campaign trip which took him as far west as Cheyenne, Wyoming, probably the largest campaign party in our history, is being centered mainly on the socalled doubtful states of the central section. Mr. Roosevelt invaded his opponent's home state in an effort to line up the farm vote. At St. Paul he defended the administration's reciprocal tariff treaties and at Omaha he appealed for the farmers' vote in a major address by pointing to their improved condition. One of the principal objects of his trip was to line up the liberal or progressive vote, as evidenced by his strong endorsement of Senator Norris of Nebraska, who is running on an independent ticket.

In their latest trips both candidates



I COVER THE WATERFRONT

-Fitzpatrick in St. Louis Post-Dispatch

covered much the same territory, appearing on the back platform of their trains in many of the same cities. Both showed themselves and extended words of greeting to as many voters as possible. Only once, however, did they come near to being in the same city at the same time. That was at Grand Rapids. Michigan, where Mr. Landon's train was expected to pull out of the railway station just as the President's was scheduled to pull in.

Wages and Prices

The history of depressions shows that in the initial stages of recovery, wages do not rise as rapidly as prices or as fast as profits and dividends. Consequently, workers discover that their pay checks do not go as far as formerly. Their cost of living has risen. This is one reason why there are often many strikes during periods of recovery, for the workers feel that they are entitled to higher wages. Students of labor conditions in this country have expressed the opinion that if recovery continues there will be a wave of strikes next year.

In order to offset any disadvantage which its workers may suffer as a result of the increase in the cost of living, the General Electric Company has inaugurated a policy of sliding wages upward to meet the upward movement of prices. Once every three months it will adjust its wage scale. It will base its changes on the index of the cost of living which is prepared by the Department of Labor. If, for example, that index shows that the cost of food, clothing, rent, and the other items, which together represent the cost of living, has increased three per cent, its wages will be raised three per cent. The first adjustment was made October 1 when a two per cent increase was made for the threemonth period. While wages will be reduced if there is a decline in the cost of living in the future, in no case will they go below the present level.

Hudson to World Court

Although the United States is not a member of the World Court at The Hague, Holland, it has been honored several times by the appointment of American citizens as justices of the court. The latest appointment to The Hague bench is Dr. Manley O. Hudson, professor at Harvard University and one of the country's leading authorities on international law. Dr. Hudson was named to fill a vacancy caused by the resignation of former Secretary of State Frank B. Kellogg. The other Americans who have sat on the World Court bench are John Bassett Moore and Charles Evans Hughes, now chief justice of the United States Sunreme Cour

Justices of the World Court are elected by members of the Assembly and Council of the League of Nations. Although the Court was organized as a part of the international organization structure built at the close of the World War, it is independent of the League of Nations. Its main function is to render decisions in disputes between nations in cases involving points of international law.

The Week in the

What the American People

It is supposed to act only on the legal points involved and to ignore the political aspects. It has frequently been criticized, however, on the ground that many of its decisions have been political. Dr. Hudson's appointment has been praised because of his known ability and freedom from political bias or interest.

For the "Little Man"

While the laws of the land apply to the big and little alike, the rich and the poor, in practice the "little man" often suffers a decided disadvantage in setting the machinery of justice into motion. In cases where he has claims he is frequently afraid to take them to court because of the costs involved. In order to overcome this difficulty many cities have established what are called small claims courts which handle cases involving small sums of money-generally \$50 or less-for the wage earners and citizens with small incomes.

At the present time, 16 states have authorized such courts, and many cities are providing such facilities for their citizens. About a year ago, a small claims court was set up in New York City and since that time it has been handling cases at the rate of about 20,-000 a year. At the present time, there is a movement for such a court in Washington, D. C. Those which are in existence have been decidedly successful and have found favor with both the public and the legal profession.

Greatest Bank in History

The need of government loans to banks, insurance companies, and other businesses has



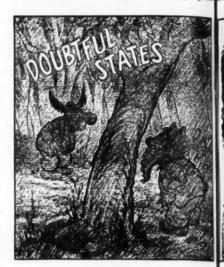
C Harris and Ewing

CAMPAIGNER President Boosevelt leaves on his 5,000-mile eam-paign trip through the Middle West.

practically passed, according to Jesse Jones, chairman of the Reconstruction Finance Corporation, which was established at the low point of the depression in order to prevent widespread bankruptcies and which has frequently been called the "greatest bank in the history of the world." Mr. Jones said that the banks of the country sound enough footing at present and no longer required loans such as those which the R. F. C. is authorized to make. What further loans are necessary do not result from any emergency, declared Mr. Jones, but from the fact that interest rates on certain types of loans are not low enough and the R. F. C. must bridge the gap.

Since its creation February 2, 1932, under

the Hoover administration, the R. F. C. has made loans amounting to \$6,251,977,669, exclusive of advances to other governmental agencies and money spent for direct relief before the government's present relief program



AUTUMN HAZE

-Herblock in Berkshire Evening Eagle

More than \$4,000,000,000 was launched. of this sum, or 67 per cent, has already been repaid. Of the total lent, nearly \$2,000,000. 000 went to banks and trust companies, 7,468 being assisted. The other principal borrowers during the four-and-a-half-year period in cluded: building and loan associations, more gage loan companies, insurance companies railroads, municipal governments, and certain private businesses.

Unless Congress extends its life, the R. F. C will expire next January 31. It may, however, continue certain operations thereafter. For one year, it may advance money on loans already authorized, and until 1939 may advance money for self-liquidating projects which the board had approved.

A Heavy Bill

Since the repeal of prohibition, about eight billion dollars have been spent by the American people for liquor, according to estimates of the American Business Men's Research Foundation of Chicago. The Foundation Foundation of Chicago. criticizes such a heavy liquor bill on the ground that money thus spent is diverted from channels of trade which would give the whole nation greater benefits. "If the \$8,000,000,000 had not been thus diverted," it declares, "but instead had gone directly into legitimate retail channels for necessities and wholesome luxuries, the immense immediate benefit it would have been to American in-dustry is self-evident."

Despite the increase of liquor consumption the amount is still less than was consumed in 1914. During the year ending June 1914, total of 2,252,272,765 gallons was consumed whereas the amount for 1936 was 1,680,959; 471 gallons. The revenue from liquor taxes however, is now more than twice as much year as it was in 1914.

Policyholders Lose

It has always been felt that life insurance was a great protective factor in our lives; that it provided great benefits to individuals and to the nation as well. It comes as a shock, therefore, to learn that the great majority of policyholders never obtain the benefit which they expect to derive from leas out insurance taking surance policies amounting to 12 billion dollars were terminated. Of that amount deaths accounted for 7.5 per cent, and a little mon than one per cent of the policies matured enabling their holders to collect all that they had anticipated on them. The rest of these policies, however, did not give the expected benefits to their holders. They were allowed to lapse and while the people were able to

United States

Doing, Saying, and Thinking

prow up to a certain point on some of them efore they expired, these people neverthess lost heavily on them.

Part of this poor record is credited to the ok of foresight of the policyholders them-



WHEN CYCLONES MEET -From the South Bend (Ind.) Tribune

elves. Another important contributing factor, wever, is high-pressure salesmanship. Many eople, unable to resist the determined sales forts of insurance agents, break down and uy policies when, as a matter of fact, they annot afford to do so.

Following Through

Since the war there has been a considerable crease in the number of students who have usued their educational training until they raduated from either high school or college. or example, of 1,000 pupils in the fifth grade 1924 only 310, or 31 per cent, reached the welfth grade in 1931. In contrast, of 1,000 upils in the fifth grade in 1929 there were 60, or 46 per cent, who reached their senior ear in high school in 1936. Last year there ere 1,134,000 seniors enrolled as compared with 591,505 in 1926, a gain of about 92 per cent. The following figures indicate that while there has been a sizable increase in the umber of students who graduate from college there are still only one-twentieth of the boys and girls who start to school who continue that far:

1918 1932 1934 Number in fifth grade _____ 1,000 1,000 1,000 High-school graduation _____ 139 College graduation _____ 23

For the country as a whole, the number college students this year is about 6 per cent ore than it was last year. But the increase as been 8.2 per cent in the western and outhern, and only 3.4 per cent in the eastern, olleges. These figures are from a report in he New York Times, which got its informaion from replies to a questionnaire sent to 79 representative colleges throughout the country. More than half of the schools showed the argest enrollment in their history.

Hollywood's Extras

The largest employment agency in the world oday is Hollywood's Central Casting Cor-oration. It has 25,000 "extra" screen players mits lists. The various movie studios have coperated in establishing this agency to portion at the available temporary or special jobs. Each day the agency receives 11,000 teleboned requests for work; each year it fills at east 250,000 jobs, paying from \$3 to \$15 a Waiting often for many months to get few days' work, extras make at best an acertain livelihood. Last year, the agency reported an average pay of \$8.97 a week; in red 1934, only 1,483 persons earned more than her 40 a month. For those aiming at a career est as actors, the Casting Corporation does not offer much of an opportunity. Only 12 of ts clients have reached success in the past to 10 years. This is another indication of the

precarious existence led by the great majority of the thousands of people who flock to Hollywood seeking screen careers.

Go in for Good Music

It is the general impression that owing to the popularity of the radio the use of the phonograph is rapidly on the decline, in fact, that the phonograph will soon be a relic of the past. This, though, is not the case. Instead of hurting the phonograph record business, radio seems to be helping it, for more-than seven times as many records will be sold this year as in 1932. The total will run between 28,000,000 and 30,000,000. There seems to be a decided change in popular taste, too, for a large percentage of the records are of classical music, and, surprisingly enough, Bach is one of the most popular composers. Only about a third of the records are of dance music and popular songs.

We Live Longer

In spite of the automobile, the average length of life in the United States continues to increase. According to the Bureau of Census, the average length of life at the beginning of this century was 48 years for white men and 51 for white women. Today the average is 59 for men and 63 for women. Not only do females have a better chance of living to a ripe old age, but their chances of living even fairly long are much better. Out of every 100,000 male children about 12,000 will die before they reach the age of 21;

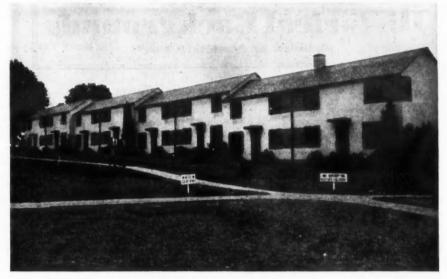


CAMPAIGNER Governor Landon tours critical states in an effort to place them in the Republican column.

26,000 before they reach 50. About 25,000 males, however, will live to be 84.

Our Destroyed Forests

There is greater interest today in the problem of conserving our natural wealthsoils, trees, and minerals-than there ever The destructive forces are at work on our resources have been vividly brought home in the last few years. The extent to which our forests are being destroyed was pointed out in a recent article in the magazine, Today. This article called attention to the fact that the original forests of the United States consisted of 822,000,000 acres, about 1,500,000 square miles, or a little less than one-half the entire country. Today,



THE GOVERNMENT'S GREENBELT PROJECT

The Resettlement Administration is completing work on a model low-cost housing development near Washington. Greenbelt, sometimes called "Tugwelltown," will be a complete model community for working people.

only 139,000,000 acres are still in virgin forest, that is, neither cut over nor burned. Since the arrival of the pioneers, at least 300,000,-000 acres have been cut or allowed to burn. Every year, fires, storms, and insects destroy 7,000,000,000 board feet of standing timber, or at two cents a foot, an annual loss of \$140,-000,000. The careless activities of people are mainly responsible for timber losses due to

Young Drivers

Real progress toward safety on the roads will not come until the youth of the country is made "safety conscious" and is taught how to drive safely, several speakers told the 10,-000 people who had gathered in Atlantic City for the annual safety congress held by the National Safety Council. Safer driving by the boys and girls of high school age was the main subject at the final meeting of the congress, on October 9.

The National Safety Council and all the other organizations interested in making the roads safer have become especially interested in improving the driving of boys and girls because records of automobile accidents show that while the number of older people involved or injured or killed has decreased in the last few years, that of young people of high school age has increased greatly.

Giving driving courses outside of regular school work is not enough, Mr. Earl J. Reeder, the traffic engineer for the National Safety Council, told the Congress. Driving, he said, is not a natural habit like a bird's flying or a duck's swimming. Neither is it something that can be learned by trial and error, as a child learns to walk. It must be taught, and safe habits must be developed. Therefore, in his opinion, courses in driving must be part of the regular school work since "there is a definite job of fundamental educational work to be done in preparing the young people to take their proper part in highway transporta-

Government Dams

In the last three years, the federal reclamation bureau has put \$141,900,000 into building 133 dams in the arid parts of the western states, and 35 more dams already are planned. These dams are expected to do a great deal to reduce the damage from droughts and floods, by holding the water when the rains are too heavy and then letting it out when the rains fail. Electric power and water for irrigation also will be available from the dams, and it is expected that the income from these sources eventually will pay the costs of construction. Meanwhile, work is being provided for over 15,000 men on the construction itself, other thousands are getting jobs making the materials used, and the western states which have suffered from drought and flood are having their chances of serious damage from these causes reduced. Many people, on the other hand, are concerned lest the government will produce so much electricity at these dams as to compete seriously with private utility companies.

THOUGHTS AND **SMILES**

An old-timer is one who can remember when testimonials were written about patent medicines instead of cigarettes.

—Washington Post

Reaction to the photograph of a couple of party chairmen as they extend right hands in a good friendship: "Watch that left." -Chattanooga Times

I believe that the dissatisfaction of young people is a good thing. . . . Just as long as our youth in American cities take an interest in what our government does, there is hope for the future.

—Mrs. Franklin D. Roosevelt

No wonder DuPont support hurts a candidate. They are the people who started this cellophane wrapper business. —Hartford Daily Times

Hitler says Germany won't need gasoline. What does it want-just the windshield cleaned, information, air, and water?
—St. Louis Post-Dispatch

We have only to compare our happy state with the discord and alarm prevalent in some of the other sections of the world to realize our fortunate position.—Harry H. Woodring, acting secretary of war

Under White House rules everybody must ap-proach the President with empty hands. What are -Toledo BLADE the rules for leaving?

A man is stated to have written his will on a biscuit. We suppose that after the lawyers have had their share, the legatees will get a few crumbs. -PUNCH

Human nature at its worst: Speaking sweetly to Junior when your glare means: "I'll beat you when these guests leave." -Savannah News

We have learned that prosperity waits upon freedom not only from war but from the dread of war. —Josephus Daniels

Several times in life the average man faces the difficult problem of trying to decide which will To tell the truth, or hire a lawyer.

-Washington Post



THE JURY RETIRES -Kirby in N. Y. World-Telegram

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Division of Governmental Power

S EVERAL weeks ago, we ran an article in THE AMERICAN OBSERVER on the issue of states' rights which has again been raised in the present political campaign. As we pointed out at that time, this issue has recurred probably more times than any other in the history of the nation. It is perhaps the oldest of all issues, for, as a reading of our early history shows, it was the principal point of controversy at the time of the Constitutional Convention. At times the debates on it became so heated as to threaten the efforts of the Fathers to draft a Constitution. It is well to bear this in mind as one reads of the period in our history between the Articles of Confederation and the Constitution.

The system of government which existed prior to the adoption of the Constitution



DAVID 8. MUZZEY

was not really a national government at all. While the 13 "colonies," or states, supported the Congress during the period of the Revolutionary War because of the common danger by which they were all faced, it was not long after the restoration of peace before the ineffective-

ness of the Articles of Confederation became apparent. The demands for an overhauling of the Articles naturally developed from the economic and political problems of the new nation. We can mention only a few of these difficulties at this time.

Under the Confederation

The Congress, under the Confederation. had so few powers that it could not even collect money to defray its own expenses. It had no power to regulate commerce among the states. It could not lay and collect import duties on the goods that came in from abroad. It could make treaties with foreign nations but it had no authority to force the states to comply with the terms of these treaties. It was supposed to have the responsibility of defending the country, but it had no authority to draft men for the army or navy. There was no system of national courts to which citizens could turn to seek redress for wrongs done. Under the Confederation each of the 13 states was supposed to be sovereign and independent, and the Congress was little more than a diplomatic assembly.

The eight years during which the Articles of Confederation were the basic law of the land have frequently been referred to as "the critical period." Such an appellation is only partly true, for the new nation was by no means on the brink of collapse and disaster before the adoption of the Constitution. The situation, however, was far from satisfactory. The Congress was unable to collect enough money to pay the interest on the debt which had been incurred during the Revolution. Commerce was greatly hindered as states erected tariff barriers against the products of one another and as a flood of foreign goods rushed into the country following the war. Moreover, there was no national currency, and businessmen were hesitant to enter into agreements for the sale of goods in neighboring states lest the value of the currency fluctuate before payment could be made. In a word, the economic life of the nation was in a chaotic condition during the eight

The record in the foreign field was hardly more brilliant. Foreign nations held the new nation in low esteem because of the lack of authority of the new government. Thomas Jefferson from Paris wrote that "We are the lowest and most obscure of the whole diplomatic tribe." The depths to which American prestige had sunk during this period has been summed up as follows by Professor Samuel Flagg Bemis in his

"A Diplomatic History of the United States": "In the critical period of 1783-1789 American diplomacy was at its lowest ebb and power. Internal weakness is ever invitation to foreign aggression. This is incontestably the lesson of history. Had the national impotency of this period continued for a few more months it is doubtful whether American independence would have survived the trial."

From the foregoing account of conditions, it can be seen that the need for an over-hauling of the governmental structure was real and pressing. The more thoughtful of the citizens realized that if the United States was to exist a national government with real power must be established; "a more perfect union" must come into existence. The economic problems of the day were such as to demand a more workable system of government.

The Constitutional Issue

Yet it should not be assumed that the new document met with universal approval. Many there were who felt that the new system of government would result in the swallowing up of the states by the central government. Not only did many of those who attended the Philadelphia convention refuse to affix their signature to the Constitution, but ratification had to be wrung from several of the states. As colonists the people had grown suspicious of central authority, and they had no intention of reproducing the same conditions that led them to war a few years earlier. The issue of states' rights was definitely in the front of the people's minds during those years.

Although the American Constitution has been in force for nearly 150 years, relatively few changes have been made in it. As new conditions have arisen, it has been amended to make it more harmonious with the times. Yet it would be a mistake to ignore the vital issues that have arisen over its interpretation by the Supreme Court. During the last three years, especially, the issue has arisen in a dramatic form. As major pieces of New Deal legislation have been declared by the Court to violate the basic law of the land, the question has been raised whether additional changes are necessary to meet the industrial conditions of the twentieth century.

Those who are arguing that an amendment should be made in the Constitution giving the national government greater power than it now enjoys are using many of the same arguments that were used during the days of the Confederation. They assert that our economic life has become so complex that regulation from a central authority has become essential. Many industrial conditions, such as wages, hours of work, and other conditions of labor, are such as to make regulation by the individual 48 states hopeless and ineffective. In a word, they feel that the nation is today in a period of change and crisis just as it was between 1783-1789 and that the instruments of government must be adjusted to meet the new economic problems with which they must cope if order and progress are to be maintained.

This position is contested by those who stand opposed to amendment to the Constitution. Already the federal government has invaded the field of activity reserved to the several states, it is charged. An amendment granting further authority would lead to regimentation of the worst Freedom of action would be tramped underfoot. The limitations placed upon the government in Washington by the Constitution are the only guarantee against despotism. These are the main contentions of those who oppose amendment at this time. Whether the issue is brought into the open in the near future, it may well become one of the great decisions which the American people will have to make within the next



ILLUSTRATION FROM THE JACKET DESIGN FOR "JOURNEY HOME"

Among the New Books

Building the Navy

"Our Navy," by Charles J. Finger. Illustrated by Henry C. Pitz (Boston: Houghton Mifflin Company. \$2).

NTENDED primarily for young people, this volume presents a clear and readable history of the American navy. At the outset, the author emphasizes the not widely known fact that several years before Commander Hopkins sailed out of Philadelphia with his six ships, the American colonists had rigged up a fleet. Hardy New Englanders, incensed at the attempts of a British frigate to interfere with their smuggling, gathered eight rowboats and with only these gave the British customs lieutenant as vigorous a beating as one could desire. To be sure, a fleet of eight rowboats is hardly a respectable navy. Yet its successful defiance of British power spurred our statesmen to make plans for building a number of warships with which to defend the rising republic. The need for a navy became distressingly obvious several years later, when the pirates of Algiers thought they could command tribute from the United States. Mr. Finger's account of how we dealt with these sea brigands is the most interesting part of his entire volume.

The author dwells hardly at all upon the development of our navy since the World War—an omission that is regrettable, for our naval strength has been increased considerably in the last two decades.

Wanderer

"Journey Home," by Harold Sinclair (Garden City: Doubleday, Doran and Company, \$2).

THIS slight novel gallops its hero through a variety of experiences and lands him, a happier if not a wiser rider, on a farm in California. It is when he reaches 30 years of age that James Hall begins to tire of life.



PROM THE INSIDE COVERS OF "OUR NAVY"

His home in an eastern metropolis is shattered; his career ruined; and whatever hopes he may have entertained seem hopelessly confused in the wreckage of an economic system. So, with a heavy heart and \$4 as his sole possessions, he decides to hitchhike his way to New Orleans, with which his mind, from youth, had associated a vague sense of romance. The world, when viewed from a freight train, revealed shades of color that he had never noticed from his apartment window. And the mood which these reflections induced bring him to delay his arrival in New Orleans in order to spend some time on an Ohio river boat. Soon he comes to Chicago, and there, with proper regard for filling experience's almanac, he meets on the one hand with racketeers and on the other with a group of intellectuals in whose slightly cynical conversation he joins. When he has lost his job in Chicago, he gets on to New Orleans, stays there for some time, and then wends his way to California. If it be permitted to derive some symbol from this story, it seems a long journey which Hall had taken to arrive home, like a man going around the world in search of happiness and returning to find it only in his cabbage patches.

A Reporter Reports

"Covering the Far East," by Miles Vaughn (New York: Covici-Friede. \$3).

REPORTER'S job is to tell what is A happening, not to take sides, express opinions, or give interpretations. So says Miles Vaughn, one-time midwestern farm boy, and later, for nine years, head of the United Press Bureau in the Far East. He follows this rule in this book. He tells what he did, what he saw, what he learned of events as they passed before his reportorial eye. But he makes no attempt to describe or interpret, except in occasional brief paragraphs, the broad currents of development or the popular feeling which underlay the day-by-day incidents. In numerous cases, too, Mr. Vaughn gives the "inside story" of an event which differs from or supplements importantly the usually accepted account of what happened-as, for instance, his story of the famous "living bomb" incident during the fighting at Shanghai in 1932. The three Japanese soldier heroes of this incident, he says, were killed because a time bomb went off too soon, not because they had volunteered to make themselves part of the bomb. "Covering the Far East" is entirely different in character from the personal reminiscences recently published by Vincent Sheean, Walter Duranty, and Negley Farson. But it contains a good deal of historically important information-and it is grand reading. We recommend it unreservedly, for it is as throbbing and intimate an account as we would want of the peoples of the Orient.



The Roosevelt administration and the spoils system. Has Farley used the emergency agencies to build his political machine? What position does Governor Landon take?

T HESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE Merican Observer will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of The American Observer.

Mary: John, I wonder if you read the speech which former Governor Cox of Ohio made the other day?

John: No, I don't know that I did. What of it?

Mary: Well, in our discussion last week you spoke of him as being one of the former Democratic presidential candidates who was not supporting President Roosevelt this year. Well, no sooner had you made the statement than he came out with a rousing speech in favor of the President. You should have your facts a little better in hand next time.

John: Well, that's an unimportant in-The fact is that the very large proportion of the old-line Democratic leaders are against the administration and you know it. But I want to talk about something more important this week.

Mary: What is that?

John: Something that I presume you won't like very well to hear. I think we might discuss the spoils system this week as it is practiced by the Roosevelt admin-

Mary: Do you think that the Roosevelt administration gives in to the spoils system any more than Republican administrations have done?

John: Indeed I do. It has dealt the civil service principle the hardest blow it has ever suffered since it was inaugurated. Dozens of New Deal agencies employing thousands upon thousands of men and women have been created by the Roosevelt administration, and appointments in practically all cases are political. They are the spoils of politics. The merit system is used in only a very few cases. If anyone gets a job as a WPA administrator or in the work of agricultural relief or in the other New Deal agencies, he must have the approval of Boss Farley or one of Farley's henchmen. This, in my opinion, is one of the most serious blemishes on the administration, for no government can be good, however good its intentions, unless it is well administered, and the work of government cannot be well administered if it is done by party hacks.

President Roosevelt has undertaken to give the government more work to do than it has ever done before. Why didn't he give it at least a chance to succeed by seeing that the employees taken on to do all this work were appointed because of merit rather than because they happened to be Democrats?

Mary: Very good, John. That was a fine speech, one which apparently you have learned from some Republican politician or campaign orator. But suppose you get down from all your high-flown ideas and exercise a little common sense. The Roosevelt administration, as you well know, has continued to run the regular government departments under the Civil Service just as they have been run before. Appointments in the greater part of the Postal Service, in the Interior Department and the State Department and the various other departments are made from people who are on the Civil Service lists. It is only in the New Deal agencies or the emergency bureaus that the Civil Service is not in effect, and it would not have been possible to have filled all these new positions quickly from the Civil Service.

For example, let us take the case of the NRA or the AAA. These new emergency agencies called for the appointment of thousands of persons. The employees had

to be chosen quickly. There were not enough candidates on the reserve lists of the Civil Service to fill all the places. It was necessary to get reliable employees in a hurry. There seemed no other way than to take men and women who were recommended by the party leaders in the different localities. They had to be recommended by somebody, and what better way was there to get com-petent workers? The Civil Service will no doubt later be extended to such of these new agencies as become permanent.

Mary: But do you forget the spoils politics that has been played by every Republican administration?

Charles: No, I don't forget it and I don't excuse it. I simply say that this Democratic administration had more jobs to fill than preceding administrations have had, and it filled them by the spoils system. Because it had a greater responsibility than any other administration, its performance has been worse.

Mary: Do you think that a Republican administration would do any better if it came into power? Wouldn't it merely throw the Democrats out of office and put Republicans in their place?

John: There is no reason to think that a Landon administration would do anything of the sort. Governor Landon has definitely promised that all the positions except the very highest ones in every department will be nonpolitical. He has taken a step which no other candidate has taken. He has let it

Mary: At the same time you should remember that President Roosevelt has gone further than any other president in filling the highest positions with men who are not politicians. He appointed a Republican, Mr. Ickes, as secretary of the interior, and gave him charge of public works. Another man who had never been in politics, Harry Hopkins, has charge of the Works Progress Administration. Tugwell, head of the Resettlement Administration, has never been a politician. We could go on down the list indefinitely, naming leaders in the government who were chosen because of merit rather than because of any political considerations.

John: But that doesn't excuse the administration for forcing every little clerk in all the New Deal agencies to get the approval of some local Democratic ward heeler or boss in order to get a job and

Charles: You're simply on the wrong end of the argument this week, Mary. I hope for yor sake that we will find an issue next week upon which your party can make out a better case.



YOU CAN HAVE THE CRUMBS

-Carmack in Christian Science Monitor

Charles: No, that argument won't go, Mary. As you know, I am neither a Democrat nor a Republican. The Roosevelt administration has a lot to its credit, and many of the things which the Republicans are saying are not true, as I have said time and again. But there really isn't any defense for the administration on this issue.

You say that none of the new undertakings of the government could have secured employees quickly by anything except political appointments. How about the Tennessee Valley Authority? That is one of the New Deal agencies, and its staff was assembled as quickly as any other. But it isn't dominated by politics. The reason is that Senator George Norris of Nebraska had enough influence to provide in the law creating the TVA that the appointments should be nonpolitical. Consequently, they are on the basis of merit. And the TVA is one of the best managed of all the New Deal agencies. No, the administration didn't fill all the places with Democrats because it had to in the interest of efficiency. It did it because Farley and his crowd wanted the political plums. He was building up a great political machine and in a time of national emergency he used the work of the government as a means of building that machine. This is indefensible, and every honest Democrat ought be known that if he is elected the postmaster general will not be selected merely in order to be a dispenser of patronage. Nearly every president has made the chairman of his national committee the postmaster general, and this master politician has filled post offices with party men and has built up a machine in that way. Now, Governor Landon says that if he is elected he will not appoint his chairman, John Hamilton, as postmaster general. He will have an efficient, nonpolitical administration of the Post Office Department. That will be a new thing in American politics.

Mary: But the Roosevelt administration is also interested in reforms in the Post Office Department. The President has ordered that first-class postmasters, which have been political appointments, shall be under the Civil Service. If the President is reëlected I think you may expect that he will do a great deal for the Civil Service.

Charles: I wish I could think so too, for in many ways I admire the President. But on the basis of past performance I don't see how we can expect it. If the President should announce that in case of his reelection Jim Farley will no longer be postmaster general, we might seriously consider the probability of his giving us Civil Service reform. But I see no hope of it so long as Farley is to remain as the big job dispenser.

RECIPROCAL TARIFFS

(Concluded from page 8)

"Foreign Trade and the Worker's Job." published by the World Peace Foundation, 8 West 40th Street, New York City, 10 cents. A strong case for action leading to a restora-tion of our trade.

(c) "Why Quit Our Own?" by George N.

Peek, published by D. Van Nostrand Com-pany, New York, for 50 cents. The former pany, New York, for 50 cents. The former head of the AAA presents a powerful case against the Hull reciprocal agreements.

(d) "The Open Door at Home," by Charles A. Beard, published by The Macmillan Com-

pany, for \$3. A well-reasoned exposition of the theory that Americans should depend chiefly on the home market.

CATHOLIC VS. CATHOLIC

Those who accuse President Roosevelt of being a supporter of communism are uttering "ugly, cowardly, and flagrant calumnies," Monsignor John A. Ryan declared in a radio talk on October 8. He also said that "Father Coughlin's explanation of our economic maladies is at least 50 per cent wrong, and his monetary theories are at least 90 per cent wrong." This was the first direct per cent wrong." This was the first direct and vigorous attack from a leading Catholic spokesman on the doctrines of the Catholic priest who has secured so large a following through his radio talks. Monsignor Ryan is professor of moral theology and indus-trial ethics at the Catholic University, Washington, D. C.

SOMETHING TO THINK ABOUT

1. Wherein do the two parties differ on the tariff issue in the present campaign? With the views of which party are you most in sympathy? 2. Why is it difficult, or impossible, correctly to determine the effects of the reciprocal

treaties that have gone into effect?

3. What, if any, have been the international effects of the treaties negotiated by our government, according to Secretary of State Hull?

4. Do you think Germany would try to wage a war on Russia if she knew France and

England would remain neutral?

5. What danger do you see in Germany's present policy of gaining advantages by threats of force?

6. What were the economic conditions which led to the drafting of the American Constitution? Explain the difference be-tween the states' rights issue today and at

7. Do you agree with the statements voiced by John (see page 7) on the Roosevelt administration and the spoils system?

8. What have been the effects so far of Italy's annexation of Ethiopia?

9. Can you see any reason why the United

States has not become a member of the World Court 10. How does the consumption of liquor

in the United States today compare with 1914? How does the government revenue from liquor taxes compare with 1914?

PRONUNCIATIONS: Galeazzo Ciano (gahlay-at'so chah'no), Julius Goemboes (yoo' lyoos gum'bush-both u's as in burn), Kurt Schuschnigg (koort' shoo'shneek), La Pasionaria (lah'pah-see-o-nah'reea), Ernst von Starhemberg (airnst' fon' shtar'em-bairg).

Reciprocal Tariff Agreements And the Political Campaign

(Continued from page 1)

be helped in this way are fresh vegetables, such as tomatoes and a number of other things. This will help farmers in New York, New England, and other states near the Canadian border, where the raising of vegetables is an important industry. These vegetables may now more easily be sold to Canadians. Additional products which will be helped are machinery, tractors, electrical equipment, manufacturers of iron and steel, and manufacturers of wood and paper.

Canadian Treaty

Of course the United States had to do something for the Canadians in order to get these favors for American businesses wishing to sell their products to Canada. The treaty lowers the tariff on a large number of Canadian products and, in the case of other products, which Canadians wish to export to the United States, it is provided that the present tariff will not be raised. Many Canadian products are now coming in free of duty and it is specified in the case of some of these products that the United States will not impose any tariff so long as the treaty stands.

Here are some of the Canadian products which will now be allowed to come in at the lower rates and which may be expected, therefore, to come in greater abundance: cattle, including calves and dairy cows, cream, lumber and timber of Douglas fir or western hemlock, cheese, hay, apples, horses, leather, and certain kinds of fish and feeds.

What has been the effect of these treaties? It is very hard to tell. Late last month, Governor Landon delivered an address in Minneapolis in which he sharply attacked the treaties and pointed to what seemed to him to be a number of harmful results. A few days later, Secretary of State Hull went to the same city and delivered an address in which he replied to the Republican candidate and defended the treaties. Each of these men argued forcefully for his position, but the figures they used must be very critically and carefully studied by anyone who wishes to find out the truth.

Landon vs. Hull

Secretary of State Hull was able to show that there has been a decided increase in exports since the treaties went into effect.

In 1933, Americans sold to foreigners goods to the value of only about \$1,600,000.000. In 1935, the year after the reciprocity act had gone into effect, and after several agreements had been made under it, the people of this country sold foreigners goods to the amount of \$2,280,000,000, and there has been another marked increase in 1936. It is impossible to determine however, how much of this increase has been a result of the trade treaties. A large part of it unquestionably has resulted from business recovery in this and other nations. Few disinterested students would question that we would have had a very considerable increase in foreign trade even if none of the treaties had been made

Some of Governor Landon's figures are equally in need of careful examination. He contends that American producers have been hurt by the treaties. He says that the agreements have permitted many foreign products to come into the United States at lower rates, and that as a result these products have flooded the American market and have hurt American farmers. He says that eight of these agreements have

been in force long enough for us to determine their results, and that in these cases the imports of farm products have increased 84 per cent above what they were before the agreements were made. But in the case of Governor Landon's statement, as in the case of Secretary Hull's, there is room for misinterpretation. It does not necessarily follow that all this increase of imports of farm products has been the result of the trade treaties. There was a serious drought in 1934 and it created a scarcity of a number of farm products, and many of these products were shipped into the United States to make up for the shortage. Articles which in no way were affected by the trade agreements, were imported in large quantities to make up for our shortage. No one would suppose, therefore, that the entire 84 per cent of the increase in imports resulted from the reciprocity treaties.

Governor Landon takes up concrete cases however, to prove his point that American farmers have been hurt by the treaty with Canada. He refers particularly to one article-cheese. He says that during the first six months of 1935, Americans bought only half a million pounds of Canadian cheese. Then came the reciprocity agreement with Canada which lowered the duty on Canadian cheese from seven cents a pound to five cents. The Canadians began to ship their cheese into the United States, where it competed with the product of American farmers. During the first six months of 1936, says the Kansas governor, Americans imported four million pounds of Canadian cheese, with the result that American farmers were able to get only 121/2 cents a pound for their cheese instead of the 17 cents a pound which they were getting when the treaty went into effect.

Pro and Con

The complexity of this issue and the difficulty of finding out the facts are illustrated, however, by Secretary Hull's reply. He denies that the import of Canadian cheese has injured the American farmers. He says it is true that the price of cheese fell off for a while, but that this was merely the kind of decline in price which comes at certain seasons. He says that at the time Governor Landon made his speech, the price of cheese in the United States had come back to more than 17

EXPORTS AND IMPORTS BY THE UNITED STATES



THE PROPRIETOR GOES ELSEWHERE FOR LUNCH

-Darling in N. Y. Herald-Tribune

cents; that, in fact, it was then half a cent higher than when the reciprocity agreement became effective.

Governor Landon referred also to the fact that the treaty with Canada had lowered the duty on Canadian cattle. He said that there had been an increase in the shipment of cattle from Canada to the United States as a result of this, and that the price of American cattle fell from \$9.75 a hundredweight to \$7.25. Secretary Hull replied that the cut in the tariff on Canadian cattle had not hurt American prices. He pointed out that the number of cattle which might be imported from Canada into the United States at the lower rate was limited to three-fourths of one per cent of the number of cattle annually slaughtered in America. He implied that this was not a large enough number to affect American The Republicans, of course, might deny this; they might declare that even a importation of cattle could conceivably depress prices. Secretary Hull argued further, however, that the Canadian cattle which came into the United States were not fat cattle ready for market, but were a kind known as "feeders," or unfatted cattle, which are sold to farmers and cattle raisers in our corn-growing states to be fed and sold later. The argument from this point is that the importation of the Canadian cattle enables American cattle growers and feeders to make more money, rather than less.

Conflict of Theories

We have described these arguments and counterarguments in some detail, because

they illustrate the points at issue in the debate as to whether the treaties on the whole are, or are not, helpful to different classes of the American people.

When we turn from these detailed and specific arguments to general principles, we find Secretary Hull arguing that the agreements break down restrictions to trade; that they make it easier for the foreign countries to sell certain of their products to America; that the products which Americans are thus more easily buying from abroad are of a kind which do not compete seriously with products of American farms and factories; that since the foreigners can sell more of their goods to Americans, they are able to buy more goods Secretary from Americans. Hull argues forcefully that Americans cannot sell goods abroad if they do not take foreign goods in return. Foreign trade must be a twosided affair. He says that American farmers, manufacturers, and laborers will be helped by the increased foreign demand for our goods, that prosperity here can come in no other way. He argues further that other countries are



SURE LOOKS LIKE BAIN

-Homan in McKeesport (Pa.) Daily News

following our example, that trade barriers are being broken down, that the peoples of all countries are getting new markets and are being enabled to win back some of the prosperity they have lost during recent years. This makes, he declares, for greater security and for peace among the nations.

Governor Landon and the Republicans accept the general principle of reciprocal trade treaties, but they argue that as a matter of fact the Roosevelt administration has not shown wisdom in working out the treaties. They declare that the President has been given too much authority in the making of treaties, and that Congress should keep a closer control over the agreements. They argue that the Hull treaties have sacrificed the interests of American producers by permitting competing materials to enter this country at rates which are too low.

The debate on this issue resolves itself, therefore, largely to a dispute over facts. How is the voter, who wishes to be well informed, to determine which party to the dispute is more nearly correct in its presentation of the facts? How is the citizen to determine where the truth lies?

Getting at the Facts

The voter's problem is indeed a difficult one. He cannot find enough definite and certain facts either in Governor Landon's speech, in the speech of Secretary Hull, or in both of these addresses, to come to any positive conclusions. We realize further that we have not presented enough facts in this AMERICAN OBSERVER article to enable the disinterested citizen to form a satisfactory judgment and to come to a decision on the issue in dispute. We have, perhaps, shown fairly definitely where the issue lies, and we have outlined the points at which additional facts are needed. citizen who wishes to satisfy himself that he has made a full investigation must necessarily make a more extended study than can be furnished in any short article. It is our purpose in this article to give students of politics enough information so that they will be dissatisfied with the inadequate statements of party leaders, and so that they will know how to go further with their investigations.

We recommend that in reading the materials which we list and in forming their final conclusions on this problem of American trade policy, each student of the subject should keep in mind this general truth: No tariff law was ever written, modified, or repealed, without helping certain Americans and hurting others. No tariff law and no change or termination of any tariff law is in the interest of all the people. In each case a decision must be made as to whether the act in question will help a greater number than it hurts. With this thought in mind, read the following explanations and arguments:

(a) "America Must Choose," by Henry A. Wallace, published by the Foreign Policy Association, New York; 25 cents. This is a thought-provoking pamphlet outlining America's two alternatives—reviving our foreign trade or following a policy of economic self-sufficiency—and the probable consequences of

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SHADED PORTION SHOWS "FAT	VORABLE" BALANCE OF TRADE
TOTAL IMPORTS	TOTAL EXPORTS
1867	t
1890 Ž	
1910	收
1914	KKI
1916	KEKKI
1919 LLLL 1	KEEKKE
1925	KEKKE
1929 1. 1. 1. 1.	KKKKK

FROM A CHART IN "MADE IN U. S. A." COURTESY FOREIGN POLICY ASSOCIATION

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